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Message Text

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ACTION AF-10

INFO OCT-01 ISO-00 XMB-02 EB-08 COME-00 PM-05 NSC-05
SP-02 SS-15 CIAE-00 DODE-00 INR-10 NSAE-00 PA-01
ICA-11 OMB-01 AID-05 TRSE-00 /076 W
----------113752 260128Z /72
R 251415Z MAY 78
FM AMEMBASSY ADDIS ABABA
TO SECSTATE WASHDC 8518

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E.O. 11652: N/A
TAGS: EAIR, PFOR, ET
SUBJECT: EAL PURCHASE OF BOEING AIRCRAFT

REF: ADDIS ABABA 1713

1. ON 24 MAY, COMMERCIAL ATTACHE MET WITH MR. MAKONNEN ESHETIE, ASST. GENERAL MANAGER FOR CORPORATE PLANNING AND DEVELOPMENT AT ETHIOPIAN AIR LINES (EAL). MAKONNEN ADVISED THAT EAL AND BOEING AIRCRAFT HAVE COME TO AGREEMENT ON PURCHASE BY THE FORMER OF TWO BOEING 727-200 AIRCRAFT, ONE TO BE DELIVERED IN SEPTEMBER 1979 AND THE SECOND IN OCTOBER OF THAT YEAR. EAL HAS ALREADY PUT DOWN $50,000 IN EARNEST MONEY ON EACH AIRCRAFT, BASIC UNIT COST OF WHICH WILL BE $14.4 MILLION. EAL WILL PAY DOWN PAYMENT IN INCREMENTS EVERY TWO MONTHS, WITH 30 PERCENT OF TOTAL AIRCRAFT COST TO BE PAID BY MARCH/APRIL 1979. BALANCE IS DUE ON DELIVERY.

2. EAL AND BOEING HAVE TALKED WITH EXIM-BANK AND MAKONNEN SAYS BANK HAS SHOWN INTEREST IN FINANCING ABOVE DEAL. EAL/BOEING ARE SCHEDULED TO MAKE THEIR PRESENTATION TO EXIM IN MID-LATE JUNE OF THIS YEAR.
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ONCE AGAIN, EMBASSY WISHES TO STRESS OUR STRONG BELIEF THAT EXIM BACKING IS MERITED IN THIS CASE AND REQUESTS DEPT. TO DO WHAT IT CAN IN THIS CAUSE. (SEE REFTEL FOR BACKGROUND ON EMBASSY'S POSITION ON THIS MATTER.)

3. MAKONNEN ALSO ADVISED THAT EAL IS NOW STUDYING

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VARIOUS PROPOSALS FOR ADDITIONAL AIRCRAFT, TO BE MIX OF NARROW AND WIDE-BODY. MIX MAY BE 3 NARROW/ONE WIDE OR 2 OF EACH. NO MORE THAN TWO WIDE-BODY JETS WILL BE BOUGHT IN ANY CASE. IMPRESSION MAKONNEN GAVE IS THAT BOEING DEFINITELY HAS THE INSIDE TRACK ON NARROW BODY (B-727-200'S) AND CHOICE FOR WIDE BODY WOULD PROBABLY BE BOEING 747.

4. WOULD APPRECIATE YOUR ADVISING IF AND WHEN YOU HEAR RESULTS OF EXIM CONSIDERATION OF ABOVE DEAL. WALKER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AIRCRAFT SALES
Control Number: n/a
Copy: SINGLE
Draft Date: 25 may 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Executive Order: N/A
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Original Handling Restrictions: n/a
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Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
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Status: NATIVE
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Type: TE
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